

STANDARDS OF INDEPENDENCE

(adopted by the Board of Directors, M.D.C. Holdings, Inc.)

A director will qualify as "independent" (a) if the Board of Directors affirmatively determines that the Director has no material relationship with the Company (either directly or as a partner, shareholder or officer of an organization that has a relationship with the company) and, in addition, (b) if:

1. Within the last three years, the Director has not been an employee of the Company and no immediate family member of the Director has been an executive officer of the Company.
2. The Director has not received, and no immediate family member of the Director has received, during any twelve-month period within the last three years, more than \$120,000 in direct compensation from the Company, other than (a) director and committee fees and pension or other forms of deferred compensation for prior service (provided such compensation is not contingent in any way on continued service), (b) compensation paid to the Director for former service as an interim chairman, chief executive officer or other executive officer of the Company, or (c) compensation paid to an immediate family member of the Director as an employee of the Company (other than an executive officer of the Company).
3. (a) Neither the Director nor an immediate family member of the Director is a current partner of a firm that is the Company's internal or external auditor; (b) the Director is not a current employee of such a firm; (c) the Director does not have an immediate family member who is a current employee of such a firm and who personally works on the Company's audit; or (d) neither the Director nor an immediate family member of the Director was within the last three years a partner or employee of such a firm and personally worked on the Company's audit within that time.
4. Neither the Director nor an immediate family member of the Director is, or has been within the last three years, employed as an executive officer of another company where any of the Company's present executives at the same time serves or served on the other company's compensation committee.
5. The Director is not a current employee, and no immediate family member of the Director is a current executive officer, of a company that has made payments to, or received payments from, the Company for property or services in an amount which, in any of the

last three fiscal years, exceeds the greater of \$1 million or 2% of such other company's consolidated gross revenues.

ADDITIONAL STANDARDS OF INDEPENDENCE FOR COMPENSATION COMMITTEE MEMBERS

In addition, a director will qualify as "independent" for purposes of serving on the Company's Compensation Committee if the Board of Directors affirmatively determines the independence of the Director, after considering all factors specifically relevant to determining whether the Director has a relationship to the Company which is material to that Director's ability to be independent from management in connection with the duties of the Compensation Committee member, including, but not limited to:

1. Whether the director receives compensation from any person or entity (including any consulting, advisory or other compensatory fee paid by the listed company) that would impair his ability to make independent judgments about the listed company's executive compensation; and
2. Whether the director is affiliated with the listed company, a subsidiary of the company, or an affiliate of a subsidiary of the company which places the director under the direct or indirect control of the listed company or its senior management, or creates a direct relationship between the director and members of senior management, that would impair the director's ability to make independent judgments about the listed company's executive compensation.

ADDITIONAL STANDARDS OF INDEPENDENCE FOR AUDIT COMMITTEE MEMBERS

A Director will be deemed "independent" for purposes of Rule 10A-3 promulgated under the Securities Exchange Act of 1933, as amended, provided:

1. The Director has not directly or indirectly accepted any consulting, advisory, or other compensatory fee from the Company (or any subsidiary), other than (1) in the Director's capacity as a member of the Board of Directors and any Board committee, (2) fixed amounts under a retirement plan for prior service or (3) dividends to shareowners.

2. The Director has not been an "affiliated person" of the Company (or any subsidiary), apart from his/her capacity as a member of the Board or any Board committee. An "affiliated person" means a person that directly or indirectly through one or more intermediaries controls, or is controlled by, or is under common control with, the Company.

Approved by the Board of Directors: September 23, 2013.